

City Clerk File No. Ord. 18-149

Agenda No. 3.E 1st Reading

Agenda No. 4.E. 2nd Reading & Final Passage



## ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE  
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-149

**TITLE:**

**AN ORDINANCE RESCINDING ORDINANCE 16-021 AND TERMINATING THE TAX EXEMPTION AND FINANCIAL AGREEMENT WITH NINTH STREET TWO URBAN RENEWAL, LLC**

**THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:**

**WHEREAS**, on or about May 21, 2015, Ninth Street Two Urban Renewal, LLC, ["the Entity"] applied for a long term tax exemption under N.J.S.A. 40A:20-1 et seq., for improvements to be constructed on property located within the Ninth & Brunswick Redevelopment Plan, on the Tax Map known as Block 6902, Lot 29, Qual. C0002 and more commonly known by the street address of 360 Ninth Street, Jersey City ["the Property"]; and

**WHEREAS**, by the adoption of Ordinance 16-021 on September 7, 2016, the City of Jersey City ["the City"] approved a 15 year long term tax exemption with a service charge equal to eleven percent (11%) of Annual Gross Revenue each year, and a term that would expire on or about September of 2031; and

**WHEREAS**, the Project is a six (6) story mixed-use condominium building with sixty-six (66) residential units, approximately 10,121 square feet of ground-floor retail/commercial space and seventy-seven (77) parking spaces ["the Project"]; and

**WHEREAS**, the Entity and the City entered into a Financial Agreement dated as of September 7, 2016 ["the Financial Agreement"]; and

**WHEREAS**, in addition, pursuant to Section V of the Financial Agreement, the Entity signed a Project Employment and Contracting Agreement ["the PECA"] whereby the Entity agreed to provide Jersey City residents with certain employment and other economic related opportunities as set forth in the PECA; and

**WHEREAS**, the Office of Tax Abatement Compliance issued the Entity a Notice of Default for failure to adhere to the terms and conditions of Section V of the Financial Agreement and for failure to adhere to the terms and conditions of the PECA; and

**WHEREAS**, that Notice was dated October 23, 2018 and is attached hereto as Exhibit "A"; and

**WHEREAS**, the Entity never cured the deficiencies cited in the Notice of Default; and

**WHEREAS**, as a consequence of the Entity's failure cure the deficiencies cited in the Notice of Default, it is in the City's best interest that the Tax Exemption and the Financial Agreement granted to Ninth Street Two Urban Renewal, LLC be terminated and the Property be returned to the conventional tax rolls.

**NOW, THEREFORE, BE IT ORDAINED** by the Municipal Council of the City of Jersey City that:

1. The Tax Exemption and the Financial Agreement with Ninth Street Two Urban Renewal, LLC is hereby terminated and the Property shall be returned to the conventional tax rolls and assessed as an added/omitted property, subject to the conditions set forth below.
2. Nothing in this ordinance shall prohibit the Entity from applying for a new tax exemption for the Project.
3. The Mayor, Business Administrator and the Corporation Counsel are authorized to execute any agreements or documents appropriate or necessary to effectuate the purposes of the within Ordinance, including but not limited to the issuance of a Memorandum confirming the rescission and termination of the tax exemption and Financial Agreement for the Project to be constructed by Ninth Street Two Urban Renewal, LLC.
4. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed, including but not limited to Ordinance 16-011.
5. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
6. This Ordinance shall take effect at the time and in the manner provided by the law.

JJH 12/11/18

APPROVED AS TO LEGAL FORM

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Corporation Counsel

APPROVED: \_\_\_\_\_  
Business Administrator

Certification Required ☐

Not Required ☐

**ORDINANCE FACT SHEET**

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

**Full Title of Ordinance**

**AN ORDINANCE RESCINDING ORDINANCE 16-021 AND TERMINATING THE TAX EXEMPTION AND FINANCIAL AGREEMENT WITH NINTH STREET TWO URBAN RENEWAL, LLC**

**Initiator**

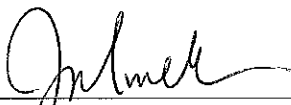
<b>Department/Division</b>	Office of the Mayor	
<b>Name/Title</b>	John Minella	Aide to the Mayor
<b>Phone/email</b>	201-547-5201	jminella@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

**Ordinance Purpose**

This Ordinance terminates the 15-year Tax Exemption granted to Ninth Street Two Urban Renewal, LLC

**I certify that all the facts presented herein are accurate.**



**John Minella**  
**Aide to the Mayor**

December 11, 2018

**Date**

# EXHIBIT A



STEVEN M. FULOP  
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY  
OFFICE OF TAX ABATEMENT AND COMPLIANCE  
DEPARTMENT OF ADMINISTRATION

13-15 LINDEN AVENUE EAST | JERSEY CITY, NJ 07305  
P: 201.547-4538



PIERRE E. LEANDRE  
DIRECTOR

**\*\* DEFAULT NOTICE \*\***

October 23, 2018

Ninth Street Two Urban Renewal, LLC  
ATTN: Eyal Shuster  
155 Second Street  
Jersey City, New Jersey 07302

RE: Violation of Article V Section 5.1 of Financial Agreement  
360 Ninth Street; Block 6902, Lot 29, C0002

Dear Mr. Shuster:

Ninth Street Two Urban Renewal, LLC (hereinafter, "Recipient") and the City of Jersey City entered into a Financial Agreement on September 7, 2016. As part of the Financial Agreement indicated in Article V Section 5.1, Recipient agreed to execute and comply with a Project Employment & Contracting Agreement (hereinafter referred to as "PECA") which is attached to the executed Financial Agreement as Exhibit 8. As such, please be advised that this letter serves as a default notice that the aforementioned project is **not in compliance** with its executed PECA. This determination was made based on the following violation: *insufficient number of Jersey City workers on-site with insufficient documentation (i.e. "Good Faith Efforts") to support / justify the deficiency.*

Recipient has failed to comply with the following section of the executed PECA:

*Section V -- Good Faith Goals:*

...

1. *Employment (Construction and Permanent Jobs): The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.*

...

In order for this tax abated project to be found in compliance, one of the following two (2) events must occur:

(1) the Workforce goal must be met, or

(2) "Good Faith" documentation must be presented to justify the efforts undertaken to meet the goal, or in the alternative, documentation must be presented explaining why the goal was not met

On August 27<sup>th</sup>, 2018, a 2<sup>nd</sup> Quarter Advisory Notice was issued to the Recipient, as it was determined that the project was non-compliant after reviewing the submitted manning and payroll reports from April 2018 to June 2018. It is clear that the aforementioned Workforce goal was not met. Please see the attached quarterly compliance report. It should also be noted that no "good faith" documentation was presented for this Office to

consider during the period in question. Subsequently, on September 28, 2018, a Remediation Meeting was conducted to re-explain the PECA requirement, "Good faith" documentation, and the opportunities available to remedy this project's deficiency. On October 12<sup>th</sup>, 2018, the Recipient submitted to this Office a collection of statements from subcontractors which attempted to demonstrate "Good faith" efforts in satisfying the Workforce goal. However, after a careful analysis by the Director and myself, it has been determined that the statements and documentation provided are neither plausible nor sufficient in demonstrating "Good faith" efforts. The reasons are as followed:

1) Ryco Construction Management, the Recipient's subcontractor, claims they subcontracted MPL, "a Jersey City company with all Jersey City labor" through the months of April 2018 to June 2018. However, after a thorough review, there was only 1 Jersey City employee recorded;

2) Centrim Electric, the Recipient's electrical subcontractor, claims they posted Craigslist.com "job advertisements for skilled labor professionals for the duration of the 360 Ninth Street Phase 2 Project" and included a photocopy of the advertisement along with their statement. However, upon visiting the advertisement online, it was discovered that this advertisement was posted on October 1, 2018, which does not constitute "Good faith" efforts for the period in question;

3) Centrim Electric also provided a collection of applicants' resumes that responded to their advertisement. "Centrim specifically requested that Jersey City residents apply for positions. Attached are the resumes of workers that applied... Centrim hired the workers that were qualified for the positions." However, upon contacting all of the resumes that Centrim provided, each so-called applicant informed this Office that they were never contacted by Centrim or the Recipient nor were they provided with any employment opportunities. I do note that all but one of the applicants were able to be reached;

4) Recipient claims they met with Office of Diversity and Inclusion on or about February 28<sup>th</sup>, 2018 to discuss potential subcontractors that would be available for open work, and that subsequent emails were sent to further inquire about potential subcontractors. However, it is understood by this Office and the Office of Diversity and Inclusion that the meeting was at the request of the Office of Diversity and Inclusion, so they may gain a better understanding of what General Contractors look for when hiring subcontractors, and that the subsequent emails were specifically in reference to 323-325 Pine Street, another project for which Shuster is a General Contractor, and was not for the project in question. This documentation, which, still not provided by the Recipient, does not account for 360 Ninth Street's "Good faith" efforts, and shall not be accepted;

5) Recipient provided "Agendas" documentation which serve as minutes for periodic meetings with subcontractors. Recipient claims that, "PECA compliance was a monthly agenda item that was discussed in the weekly meetings with the sub-contractors". However, after review there is nothing to substantiate "Good faith" efforts in reaching out to potential Jersey City workers. The Agenda line item appears to only serve as a reminder to submit monthly Manning and Payroll reports to this Office, and does not indicate a call for "Good faith" action to be undertaken by the Recipient's subcontractors;


6) Counsel for the Recipient claims that it would be "reasonable to expect/hope that Jersey City subcontractors would also have Jersey City residents". However, projects cannot make this assumption, as the two requirements, Workforce and Business Contracting, are independent of each other, as was explicitly stated in the Initial and Preconstruction Meetings held on January 10<sup>th</sup>, 2017 and January 31<sup>st</sup>, 2017, respectively. It was further communicated that it is the direct responsibility of the Recipient to abide by the PECA, not the subcontractors, in hiring of Jersey City businesses and residents since the Recipient is privy to contract with the City; and

7) Counsel claims that, with the Workforce deficiency, "there is an inherent problem with the good faith efforts requirement as some of these efforts are within the control of third parties, and not the beneficiary of the tax abatement... this was/is a consistent problematic issue for the

projects that were formally subject to Project Labor Agreements and the GC and beneficiary of the tax abatement would be subject to the actions of the respective union trades, and their compliance or lack thereof with good faith efforts." Counsel's argument would be correct if this was Project Labor Agreement. However, this project is a PECA and thus has no relation to the PLA. The PLA requirements are strictly determined and controlled by the Labor Unions where developers and/or principals do not have direct influence on the hiring requirements. Conversely with respect to the PECA, the Recipient has full control over the hiring requirements and can subsequently instruct their respective contractors to abide by the Workforce and Business Contracting requirements.

In summation, due to the fact there were minimal to no Jersey City workers reported on-site with insufficient documentation to justify and/or support the lack of Jersey City workers on-site, this Office finds this project in non-compliance. This violation constitutes a clear material breach of Article V Section 5.1 of the Financial Agreement and Sections V(I) of the executed PECA. As such, this Office recommends the assessment of Liquidated Damages as set forth in Section XI(B)<sup>1</sup> of their executed PECA. Please note that this Default Notice shall not be withdrawn from this Office.

Respectfully Submitted,

  
\_\_\_\_\_  
Rupert T. Verano, Deputy Assistant Director

cc: John Minella, Chief of Staff  
Peter Baker, Esq., Corporation Counsel  
Nick Strasser, Esq., First Assistant Corporation Counsel  
Brian D. Platt, Business Administrator  
Ernest Borja, Fiscal Officer / Office of the Tax Collector  
Pierre E. Leandre, Esq., Director / Office of Tax Abatement & Compliance  
Kevin A. Kane, Assistant Director / Office of Tax Abatement & Compliance  
Charles J. Harrington, III, Esq., Counsel for Developer

<sup>1</sup> "Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non-compliant."



STEVEN M. FULOP  
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY  
OFFICE OF TAX ABATEMENT AND COMPLIANCE  
DEPARTMENT OF ADMINISTRATION

13-15 LINDEN AVENUE EAST | JERSEY CITY, NJ 07305  
P: 201 547-4538



PIERRE E. LEANDRE  
DIRECTOR

August 9, 2018

**QUARTERLY PROJECT REPORT**

Type of Project: PECA

Quarter: April - June 2018

Developer Name (U.R. and/or LLC): Ninth Street Two Urban Renewal, LLC

Project Site Location: 360 Ninth Street

Principal(s): Adam Knoll (as to Notice)

Attorney (if applicable): Charles J. Harrington, III, Esq.

General Contractor: Shuster Management, LLC (Adam Knoll & John Janiec)

Project in Compliance? (Select One) YES / ☒ NO

If No, what action(s) was/were taken if any to bring project into compliance?  
If Yes, please specify the reasons why the project is in compliance.

**(1) WORKFORCE REQUIREMENT – Non-Compliant**

<u>Month ('18)</u>	<u>Total Workers</u>	<u>Male/Female</u>	<u>Minority Workers</u>	<u>Jersey City Workers</u>
April	100	100/1	72	5
May	100	100/1	78	3
June	123	123/1	105	3

Jersey City resident worker representation is non-sufficient; high number of minority workers. Additionally, this Office has not received "good faith" effort documentation this Quarter with respect to this requirement.

**(2) BUSINESS CONTRACTING REQUIREMENT – Compliant**

The project's estimated cost of construction is roughly \$21.7 million. The General Contractor, Shuster Management, LLC, is a Jersey City business. Only one of the seventeen companies on site this quarter are a JC Company: Four of the fifteen subcontractors on site this quarter are Jersey City Businesses: Clara Construction. However "good faith" documentation has been received in the form of explanations as to why bids were awarded, etc. Moving forward however, this information should be confirmed by reaching out to the JC companies who have lost bids.



3) **ACTIONS TO BE TAKEN** – This Office will provide this project with an “Advisory Notice” and this project will have seven (7) business days from the time of receipt to cure the aforementioned defects. If the defect is not cured and/or addressed within such time frame, a Default Notice will thereafter be issued.

# Ordinance of the City of Jersey City, N.J.



ORDINANCE NO. Ord. 18-149  
TITLE: 3.E DEC 19 2018 4.E

An ordinance rescinding Ordinance 16-021 and terminating the tax exemption and financial agreement with Ninth Street Two Urban Renewal, LLC.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY	✓			YUN	✓			RIVERA	✓		
PRINZ-AREY	✓			SOLOMON	✓			WATTERMANN	✓		
BOGGIANO	✓			ROBINSON	ABSENT			LAVARRO, PRES.	✓		

DEC 19 2018 8-0

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
Councilperson				moved, seconded by Councilperson				to close P.H.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson				moved to amend* Ordinance, seconded by Councilperson				& adopted			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on DEC 19 2018

Adopted on second and final reading after hearing on \_\_\_\_\_

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on:

\_\_\_\_\_  
Robert Byrne, City Clerk

\*Amendment(s):

APPROVED:

\_\_\_\_\_  
Rolando R. Lavarro, Jr., Council President

Date \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Steven M. Fulop, Mayor

Date \_\_\_\_\_

Date to Mayor \_\_\_\_\_

City Clerk File No. Ord. 18-150  
Agenda No. 3. F 1st Reading  
Agenda No. 4. F. 2nd Reading & Final Passage



## ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE  
offered and moved adoption of the following ordinance:

CITY ORDINANCE 18-150

**TITLE:**

**AN ORDINANCE RESCINDING ORDINANCE 16-011 AND TERMINATING THE TAX EXEMPTION AND FINANCIAL AGREEMENT WITH 305 WEST SIDE AVENUE URBAN RENEWAL, LLC**

**THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:**

**WHEREAS**, on or about October 5, 2015, 305 West Side Avenue Urban Renewal, LLC, ["the Entity"] applied for a long term tax exemption under N.J.S.A. 40A:20-1 et seq., for improvements to be constructed on property located within the West Side Avenue Redevelopment Plan, on the Tax Map known as Block 22102, Lot 25 and more commonly known by the street address of 2 Fisk street, Jersey City ["the Property"]; and

**WHEREAS**, by the adoption of Ordinance 16-011 on January 27, 2016, the City of Jersey City ["the City"] approved a 20 year long term tax exemption with a service charge equal to twelve percent (12%) of Annual Gross Revenue each year, and a term that would expire on or about January of 2036; and

**WHEREAS**, the Project was to be a five story building with 39 market-rate residential units, 3,700 square feet of commercial space and a 19 space parking garage ["the Project"]; and

**WHEREAS**, the Entity and the City entered into a Financial Agreement dated as of January 27, 2016 ["the Financial Agreement"]; and

**WHEREAS**, in addition, pursuant to Section V of the Financial Agreement, the Entity signed a Project Employment and Contracting Agreement ["the PECA"] whereby the Entity agreed to provide Jersey City residents with certain employment and other economic related opportunities as set forth in the PECA; and

**WHEREAS**, the Entity commenced construction of the Project almost immediately upon execution of the Financial Agreement but the Project has since stalled and through fully framed out, the building is now in a state of obvious disrepair; and

**WHEREAS**, the Project has since been issued numerous violations by the Office of the Construction Code Official for the condition of the structure and for the danger to the public caused by its state of disrepair; and

**WHEREAS**, the Office of Tax Abatement Compliance issued the Entity an Advisory Notice for failure to adhere to the terms and conditions of Section V of the Financial Agreement and for failure to adhere to the terms and conditions of the PECA; and

**WHEREAS**, that Notice was dated March 9, 2018 and is attached hereto as Exhibit "A"; and

**WHEREAS**, the Entity never cured the deficiencies cited in the Notice; and

**WHEREAS**, as a consequence of the Entity's failure to complete the structure and cure the deficiencies cited in the Advisory Notice, it is in the City's best interest that the Tax Exemption and the Financial Agreement granted to 305 West Side Avenue Urban Renewal, LLC be terminated and the Property be returned to the conventional tax rolls.

**NOW, THEREFORE, BE IT ORDAINED** by the Municipal Council of the City of Jersey City that:

1. The Tax Exemption and the Financial Agreement with 305 West Side Avenue Urban Renewal, LLC is hereby terminated and the Property shall be returned to the conventional tax rolls and assessed as an added/omitted property, subject to the conditions set forth below.
2. Nothing in this ordinance shall prohibit the Entity from applying for a new tax exemption for the Project.
3. The Mayor, Business Administrator and the Corporation Counsel are authorized to execute any agreements or documents appropriate or necessary to effectuate the purposes of the within Ordinance, including but not limited to the issuance of a Memorandum confirming the rescission and termination of the tax exemption and Financial Agreement for the Project to be constructed by 305 West Side Avenue Urban Renewal, LLC.
4. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed, including but not limited to Ordinance 16-011.
5. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
6. This Ordinance shall take effect at the time and in the manner provided by the law.

*JJH 12/11/18*

APPROVED AS TO LEGAL FORM

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Corporation Counsel

APPROVED: \_\_\_\_\_  
Business Administrator

Certification Required ☐

Not Required ☐

**ORDINANCE FACT SHEET**

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

**Full Title of Ordinance**

**AN ORDINANCE RESCINDING ORDINANCE 16-011 AND TERMINATING THE TAX EXEMPTION AND FINANCIAL AGREEMENT WITH 305 WEST SIDE AVENUE URBAN RENEWAL, LLC**

**Initiator**

<b>Department/Division</b>	Office of the Mayor	
<b>Name/Title</b>	John Minella	Aide to the Mayor
<b>Phone/email</b>	201-547-5201	jminella@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

**Ordinance Purpose**

This Ordinance terminates the 20-year Tax Exemption granted to 305 West Side Urban Renewal, LLC

**I certify that all the facts presented herein are accurate.**



**John Minella**  
**Aide to the Mayor**

December 11, 2018

**Date**

# EXHIBIT A



STEVEN M. FULOP  
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY  
OFFICE OF TAX ABATEMENT AND COMPLIANCE  
DEPARTMENT OF ADMINISTRATION

13-15 LINDEN AVENUE EAST | JERSEY CITY, NJ 07305

P: 201 547-4538



PIERRE E. LEANDRE  
DIRECTOR

**\*\* ADVISORY NOTICE \*\***

March 9, 2018

305 Westside Avenue Urban Renewal, LLC  
ATTN: Susan Sapino  
422 61st Street  
West New York, New Jersey 07093

RE: Violation of Article V Section 5.1 of Financial Agreement  
2 Fisk Street Project, Block 22102

Dear Ms. Sapino:

305 Westside Avenue Urban Renewal, LLC (hereinafter, "Recipient") and the City of Jersey City had entered into a financial agreement on June 24, 2015. As part of the financial agreement indicated in Article V Section 5.1, Recipient agreed to execute and comply with a Project Employment & Contracting Agreement (hereinafter, "PECA") which is attached to the financial agreement as Exhibit 8. As such, please be advised that this letter shall serve as an advisory notice that Recipient is not in compliance with the terms of the PECA. This determination was made based on the following violations: (1) *insufficient number of Jersey City workers on-site with zero documentation (i.e. "Good Faith Efforts") to support / justify the lack of Jersey City workers on the project site* and (2) *zero Jersey City businesses on-site with zero documentation to support / justify the lack of Jersey City businesses on the project site*.

Recipient is non-compliant with the following sections of the executed PECA:

*Section III – Good Faith Goals:*

...

1. *Employment (Construction and Permanent Jobs): The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.*

2. *Business Contracting: The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.*

...

In order for a tax abated project to be found in compliance with the aforementioned PECA goals, one of the following three events must occur:

(1) BOTH the Business Contracting and the Workforce goals are met,

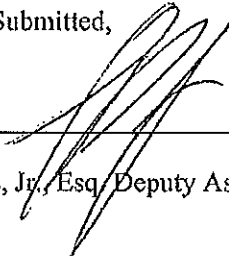
(2) one of the two aforementioned goals is met and "Good Faith" documentation is presented to justify why the other goal is not met, or

(3) BOTH the Business Contracting and the Workforce goals are not met but "Good Faith" documentation is presented to justify why BOTH goals were not met.

After reviewing the project's submitted manning and payroll reports from April 2017 to December 2017, it is clear that BOTH of the aforementioned goals were not met. As indicated in the attached quarterly compliance report, there were minimal Jersey City workers reported on-site and none of the reported subcontractors on-site were Jersey City businesses. As such, in order for this project to be found in compliance, the project must now present "Good Faith" documentation in order to satisfy BOTH the aforementioned PECA goals. The "Good Faith" requirement of the PECA is met when a project provides documentation attesting to all of the affirmative steps it took in order to adhere to the PECA goals. As such, this Office must find that this project exhausted any and all reasonable means necessary in order to achieve and/or comply with Sections III(1) and III(2) of the executed PECA. This project has not submitted any "Good Faith" documentation for this Office to review.

In summation, due to the fact that there were no Jersey City workers reported on-site with zero documentation to justify and/or support the lack of Jersey City workers on-site, and due to the fact there were zero Jersey City business reported on-site with zero documentation to justify and/or support the low numbers of Jersey City businesses on-site, this Office has no choice but to find this project in non-compliance. These violations constitute a clear material breach of Article V Section 5.1 of the financial agreement and Section III of the executed PECA. Recipient shall have seven (7) business days upon electronic delivery of said notice to address and/or cure these defects. If the defects are not addressed and/or cured within such time frame, a Default Notice shall thereafter be issued. Please be advised that once a Default Notice is issued by this Office, it will NOT be withdrawn.

Respectfully Submitted,



Santiago Paris, Jr., Esq. Deputy Assistant Director

cc: Mark Albiez, Chief of Staff  
Jeremy Farrell, Esq., Corporation Counsel  
Marcos D. Vigil, Esq., Deputy Mayor & Director of HEDC  
Robert J. Kakoleski, Business Administrator  
Joanne Monahan, Esq., Assistant Corporation Counsel  
John J. Hallanan, Esq., Assistant Corporation Counsel  
Anne Doyle, Tax Collector  
Pierre E. Leandre, Esq., Director / Office of Tax Abatement & Compliance  
Kevin A. Kane, Assistant Director / Office of Tax Abatement & Compliance  
Charles J. Harrington, III, Esq., Counsel for Developer



# Ordinance of the City of Jersey City, N.J.



ORDINANCE NO. Ord. 18-150  
TITLE: 3.F DEC 19 2018 4.F

An ordinance rescinding Ordinance 16-011 and terminating the tax exemption and financial agreement with 305 West Side Avenue Urban Renewal, LLC.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
DEC 19 2018 8-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY	✓			YUN	✓			RIVERA	✓		
PRINZ-AREY	✓			SOLOMON	✓			WATTERMANN	✓		
BOGGIANO	✓			ROBINSON	ABSENT			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
Councilperson moved, seconded by Councilperson to close P.H.											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson moved to amend* Ordinance, seconded by Councilperson & adopted											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMANN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on DEC 19 2018

Adopted on second and final reading after hearing on \_\_\_\_\_

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on

APPROVED:

Robert Byrne, City Clerk

Rolando R. Lavarro, Jr., Council President

Date \_\_\_\_\_

\*Amendment(s):

APPROVED:

Steven M. Fulop, Mayor

Date \_\_\_\_\_

Date to Mayor \_\_\_\_\_